



CITY OF *Los Angeles*

DEFERRED COMPENSATION PLAN (DCP)

Board Report 19-23

Date: June 18, 2019

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: 2019 National Retirement Security Week (NRSW) Campaign

Board Members

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Recommendation:

That the Board (a) approve the proposed 2019 NRSW campaign; (b) direct staff to invite key DCP stakeholders to participate in the NRSW video campaign including elected officials, department heads, employee labor organization leadership, and DCP Board members; (c) approve the establishment of a DCP Instagram account; and (d) authorize the expenditure of \$2,500 for gift cards to be awarded to participants engaging with the interactive exercise.

Discussion:

A. Background

Each year, the United States (U.S.) Senate passes a resolution for NRSW to raise public awareness of tax-advantaged retirement vehicles, increase financial literacy, and engage the citizens of the U.S. on the keys to success in achieving and maintaining retirement income security. Established in 2006, the NRSW has been a valuable tool for retirement plan sponsors in promoting and encouraging individuals to save for and maintain a secure retirement. NRSW, in 2019, is scheduled to take place from October 20 through October 26, 2019.

B. Campaign Objectives

Each year, staff proposes a campaign to coincide with that year's NRSW. The fundamental objective of these campaigns is to promote engagement with the City's three distinct audiences (active participants, retired participants, and non-participating eligible employees) with the goal of greater participation, increased savings, and broader awareness of DCP services and features.

Each year's campaign strives to improve engagement in measurable ways. Typically, staff's campaigns feature an interactive tool or exercise. As staff has executed and learned from prior campaigns, greater engagement arises from short, simple, and enjoyable exercises that engage individuals with DCP information and resources.

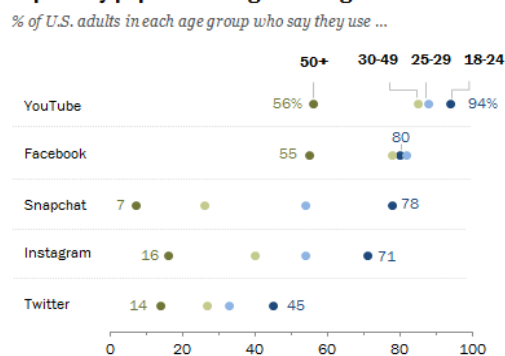
C. Campaign Elements

2019’s proposed campaign consists of the following elements:

- **Content** – Staff has observed that the most effective way to influence employee behavior is through a trusted messenger. The proposed campaign will revolve around an interactive exercise called, “The Best Plans are with your Friends.” In the City’s DCP, peers and colleagues appear to be one of the most influential sources of engaging with the DCP and retirement success. Staff will publish an NRSW campaign site with five simple suggested activities for each of the DCP’s three audiences. Each list of activities provides resources for helping participants achieve and maintain retirement security; however, the activities also emphasize and encourage discussing retirement readiness with friends and colleagues. After completing their suggested tasks, participants may visit the campaign page on LA457.com and complete a short survey on the activities they completed. Participants that complete an activity will be eligible for a gift card drawing. A preliminary draft of the campaign site is included as **Attachment A**; but will be refined as the development process continues. Staff recommends that the Board approve staff’s proposed campaign for 2019.
- At its May 15, 2018 meeting, the Board approved staff’s recommendation in Board Report 18-25 to establish a Facebook account for the DCP. While participant engagement with the account has been modest, it has provided some participants with a convenient avenue to contact the DCP. Further, maintenance of the account is not a burden to staff. Additionally, the DCP has yet to take active steps to promote the account. As part of the 2019 NRSW campaign, staff proposes to promote the DCP’s Facebook page by including it as a campaign activity for each audience. Furthermore, staff has observed that engagement with the DCP Facebook account has been primarily by the DCP’s retiree population.

Board Report 18-25 referenced research conducted by the Pew Research Center¹ regarding social media usage. The report indicated that younger respondents were on average more inclined to use Instagram or Snapchat. In order to broaden its engagement and outreach channels, staff recommends that the Board approve the establishment of a DCP Instagram account. Because Instagram is owned by Facebook, it’s relatively simple to manage both accounts. Staff would be able to easily post content to both platforms simultaneously. If the Board approves the establishment of an

Social platforms like Snapchat and Instagram are especially popular among those ages 18 to 24



Source: Survey conducted Jan. 3-10, 2018.
 “Social Media Use in 2018”
 PEW RESEARCH CENTER

¹Smith, Aaron, and Monica Anderson. “Social Media Use in 2018.” Pew Research Center: Internet, Science & Tech, Pew Research Center, 1 Mar. 2018, www.pewinternet.org/2018/03/01/social-media-use-in-2018/.

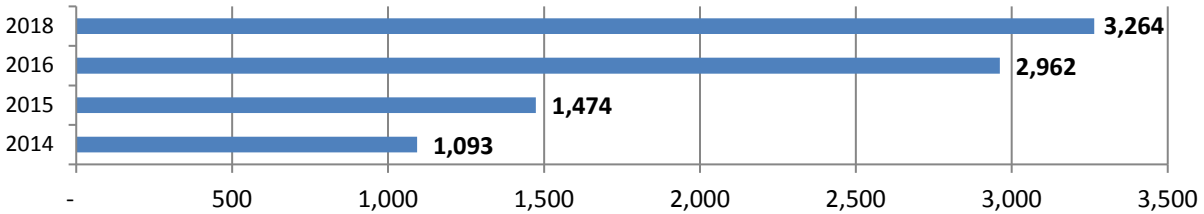
Instagram account, this can also be promoted during NRSW.

- **Endorsement** – In addition to the interactive exercise, staff proposes a participatory video campaign that would invite contributions from participants. Participants would be asked to film themselves completing the statement, “I joined the Deferred Compensation Plan because...” Video clips would be compiled and published on the NRSW campaign page and social media pages throughout the campaign. Staff recommends that the Board direct staff to invite key DCP stakeholders to participate in the NRSW video campaign including elected officials, department heads, employee labor organization leadership, and DCP Board members. Staff believes that the video clips will bring increased awareness and participation during the NRSW campaign. By showcasing videos of employees endorsing the DCP, the campaign would further build upon the importance of a trusted messenger. Participants who choose to contribute a video will be asked to complete a release permitting the DCP to use their video, which staff will develop together with Board Counsel. Those who contribute to the video will be provided with a promotional giveaway, which will be coordinated by the DCP’s third-party administrator (TPA), Voya.
- **Additional Site Visits** – Ahead of NRSW, staff and Voya will coordinate additional retirement counselor site visits throughout the City during the week of the campaign. These visits will be promoted Citywide and employees will be encouraged to visit retirement counselors to receive special promotional giveaways, which will also be provided by Voya.
- **Communications** – Staff will release notifications informing the three distinct audiences about the 2019 NRSW campaign and encourage them to participate in the interactive exercise. Staff will provide distribution via City email using an “all City” distribution as well as direct email from Voya to participants who have provided their email addresses to the DCP. Nearly 80% of DCP participants have provided email addresses to Voya. Participants who have not provided email addresses will receive postcard notifications mailed to their homes. Additionally, for the first time, staff will issue an NRSW postcard to employees who are eligible for the DCP but have not enrolled. Staff will pursue a variety of other outreach channels including InsideLA.org, messages on paystubs, and pension system communications.

D. Measuring Campaign Effectiveness

In 2014, staff began developing NRSW campaigns allowing for measuring and tracking campaign engagement. Each year staff’s goal is to increase total engagement over prior years as measured by the number of individuals participating in that year’s engagement exercise. As indicated in the chart at the top of page four, engagement increased each year from 2014 through 2018.

NRSW Participation: 2014 - 2018*



* Note that 2017 is not included because the campaign for that year differed substantively from other years, as it occurred at the same time as the DCP's TPA transition to Voya. The 2017 campaign focused on incentivizing participants to establish online account access with Voya (not a comparable metric).

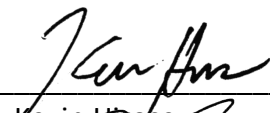
In addition to utilization of the interactive exercise, staff will also track statistics related to LA457.com activity. For 2018, the NRSW campaign occurred around the same time that LA457.com was launched. The NRSW campaign helped prompt 9,271 total unique visitors to LA457.com and 6,682 visitors to the NRSW Campaign site. Staff will also be able to measure activity related to new enrollments, contribution changes, video views, social media activity, and phone activity. Data for 2019 campaign will be reported to the Board after the conclusion of the campaign.

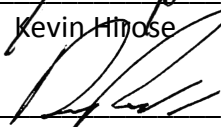
E. Campaign Timeline

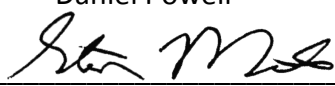
A development and implementation timeline is provided as **Attachment B** to this report.

F. Incentives

For the 2018 NRSW campaign, individuals who completed the interactive quiz were able to enter themselves into a gift card drawing, provided that they met the eligibility requirements. Staff proposes a similar strategy for 2019 whereby those participants who complete the interactive exercise and who also have an account (or establish an account with the DCP during the campaign) may enter into a drawing for a gift card. The value of the gift card will range in value from \$50 to a maximum of \$200, for an overall total of \$2,500. Staff recommends that the Board authorize the expenditure of \$2,500 in gift cards to be awarded to participants engaging with the interactive exercise.

Submitted by: 
Kevin Hirose

Reviewed by: 
Daniel Powell

Approved by: 
Steven Montagna

The Best Plans are with your Friends

National Retirement Security Week 2019

BE A FRIEND AND YOU COULD WIN A PRIZE!



What good is the best plan without your best friends? During National Retirement Security Week, as always, take this opportunity to check on your retirement plan by reviewing your investment decisions, beneficiaries, and your retirement option.

But don't leave your friends behind! Take this opportunity to help your friends too! During this campaign, you can win prizes just by reviewing your account and the Deferred Compensation Plan's features, and by reminding your friends to do the same!

HOW TO PLAY

Complete one of our National Retirement Security Week tasks and you can enter into a drawing for one of many prizes! You get one entry for each task you complete, up to five! Check out your task list for active and retired participants.

If You Haven't Enrolled Yet

- Watch our [Plan welcome video!](#)
- Check out the [Plan Highlights](#).
- Like our [Facebook page!](#)
- Talk to a friend in the Plan about why they joined.
- [Enroll in the Plan](#)

Active Participants

- Talk to a friend about your dream retirement.
- Mentor a colleague on how to enroll the Deferred Compensation Plan.
- Like our [Facebook page!](#)
- Review the benefits of the Plan's [percent-of-pay](#) feature.
- [Enter your pension information](#) into the Plan Retirement Calculator for a projection of your future retirement income.

Retired Participants

- Brush up on Required Minimum Distribution rules.
- [Review your Plan beneficiaries](#) to ensure the information is up-to-date.
- [Set up online banking](#) for simplified distributions and loan payments.
- Like our [Facebook page!](#)
- Learn about Installment Payments.

COMPLETE YOUR ENTRY

CONNECT WITH US

Access your account [online](#) or by phone at **844-523-2457**.

Service Associates are available Monday through Friday, 6:00 a.m. to 5:00 p.m., PT, except on New York Stock Exchange holidays.

Attachment B

2019 NATIONAL RETIREMENT SECURITY WEEK PROMOTION CAMPAIGN

National Retirement Security Week: October 20-26, 2019

CAMPAIGN COMPONENT	TARGET DEVELOPMENT LAUNCH DATE	TARGET COMPLETION DATE
Interactive Employee/Participant Exercises	June 3	October 1
Key Stakeholder Videos	June 18	October 1
Content Development (including email, web exercise, and video)	June 18	October 1
Postcard Mailing to Active/Retired Participants	July 8	October 1
1st Citywide and DCP Participant Email	July 8	October 21 (Monday of NRSW)
2nd Citywide and DCP Participant Email	July 8	October 24 (Thursday of NRSW)
Incentives Awarded/Announced on DCP Website	N/A	November 18